

- 1 **Q. In Board Order P.U. 36(2021) the Board quoted Newfoundland Power stating**
 2 **that: “The proposed expenditures for 2022 are higher than historical**
 3 **expenditures due to the once in a generation project to replace a customer**
 4 **service system. Excluding this project, 2022 capital expenditures would total**
 5 **\$94 million, consistent with capital expenditures in 2017 when adjusted for**
 6 **inflation.”**
- 7 **a) Have capital expenditures proposed in the 2024 CBA returned to 2017**
 8 **levels, when adjusted for inflation, and, if not, why not?**
- 9 **b) What has been the total cost to date of the above-referenced customer**
 10 **service system? Please provide particulars as to the proposed and the actual**
 11 **cost to date.**
- 12 **c) Please quantify as to what savings will result for ratepayers following the**
 13 **implementation of this customer service system.**
- 14
- 15 **A. a) Table 1 provides a comparison of the proposed 2024 capital expenditures with the**
 16 **2017 proposed capital expenditures, adjusted for inflation.**

Table 1 Newfoundland Power’s Capital Budget Applications 2017 and 2024 (\$millions)			
	2017	2024	Change
Actual	89.4	115.3	29%
Inflation-Adjusted ¹	108.2	112.7	4%

- 17 On an inflation-adjusted basis, the total capital expenditures proposed in the
 18 *2024 Capital Budget Application* are comparable to the total capital expenditures
 19 proposed in the *2017 Capital Budget Application*.
 20
- 21 b) As of the date of deployment, August 14, 2023, the total cost of the *Customer*
 22 *Service System Replacement* is approximately \$22 million. Additional costs will be
 23 incurred during the four-month stabilization stage. The Company forecasts the total
 24 cost for *Customer Service System Replacement* project to be \$31.6 million,
 25 consistent with the approved budget amount. For further information, see the
 26 response to Request for Information PUB-NP-005.
 27
- 28 c) See the response to Request for Information CA-NP-023.

¹ Inflation adjusted in 2023 dollars based on the GDP Deflator for Canada for non-labour costs and the Company’s internal labour rates for labour costs.